

Message Text

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44

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 /091 W

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R 041522Z OCT 76

FM AMCONSUL FRANKFURT

TO SECSTATE WASHDC 5748

INFO AMEMBASSY BONN

AMEMBASSY PRAGUE

C O N F I D E N T I A L FRANKFURT 7405

E.O. 11652: GDS

TAGS: BEWT PFOR CZ GW

SUBJECT: HARD CURRENCY LOAN TO CZECHOSLOVAKIA

REF : A. FRANKFURT 7353, B. PRAGUE 2803.

1. A SPOKESMAN FOR DRESDNER BANK, GERMANY'S SECOND LARGEST, EXPLAINED HIS BANK'S ABSENCE FROM THE GERMAN CONSORTIUM PUTTING TOGETHER THE RECENTLY-ANOUNCED \$200 MILLION EUROLOAN TO CZECHOSLOVAKIA.

2. THE DRESDNER SPOKESMAN DID NOT FEEL THAT THE 1 1/2 PERCENT OVER LIBOR INTEREST REATE FOR THIS LOAN WAS ATTRACTIVE ENOUTH, COMPARED TO WHAT MIGHT BE OBTAINED SIX MONTHS OR A YEAR HENCE.

3. DRESDNER SEES A PATTERN EMERGING OF CONTINUING CZECH DEMAND FOR WESTERN CREDITS TO COVER THIER BALANCE OF TRADE DEFICITS. WITH SUCH SUCCESSIVE CZECH LOAN APPLICATIONS, DRESDNER SEES A PARALLEL OPPORTUNITY TO DEMAND STIFFER AND MORE PROFITABLE TERMS (AT LEASE 1/8 PERCENT HIGHER THAN THE CURRECNT 1 1/4 PERCNET OVER LIBOR RATES).

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4. BEYOND THE NORMAL WORKING OF SUPPLY AND DEMAND ASSOCIATED

WITH INCREASED CZECH BORROWING WHICH SHOULD YIELD HIS BANK
GREATER PROFITS, THE DRESDNER BANK SPOKESMAN SEES NO
DIFFICULTY ON THE HORIZON WITH THE LEVEL OF CZECH DEBT OR
THEIR ABILITY TO SERVICE IT.LEHMANN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, BANKERS, CONSORTIUMS, EURODOLLAR, BANK LOANS, BALANCE OF PAYMENTS DEFICITS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760374-0218
From: FRANKFURT
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Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
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Review Exemptions: n/a
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Review Markings:

Margaret P. Grafeld
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04 MAY 2006

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Subject: HARD CURRENCY LOAN TO CZECHOSLOVAKIA
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To: STATE
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